

Members

Sen. Connie Lawson, Chairperson
Sen. Vi Simpson
Rep. Cindy Noe
Rep. Charlie Brown
Abigail P. Flynn
Donna Lisa Gibson
Dennis R. Jones
Loretta Kroin
Bryan Lett
Valerie N. Markley
Robert N. Postlethwait
David Thomas
Kathleen O'Connell
Kurt Carlson
Chuck Clark
Caroline Doebbling



COMMISSION ON MENTAL HEALTH

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MEETING MINUTES¹

Meeting Date: August 9, 2005
Meeting Time: 10:30 A.M.
Meeting Place: State House, 200 W. Washington St., Room 233
Meeting City: Indianapolis, Indiana
Meeting Number: 1

Members Present: Sen. Connie Lawson, Chairperson; Sen. Vi Simpson; Rep. Cindy Noe; Rep. Charlie Brown; Abigail P. Flynn; Loretta Kroin; Valerie N. Markley; David Thomas; Kurt Carlson; Chuck Clark.

Members Absent: Donna Lisa Gibson; Bryan Lett; Robert N. Postlethwait; Kathleen O'Connell.

I. Introductions

Senator Connie Lawson, Chairperson, called the meeting to order at 10:35 A.M and asked the members to introduce themselves. Chairperson Lawson thanked the members, past and present, for serving on the Commission. Senator Lawson reviewed the schedule for the Commission for this interim. The Legislative Council assigned Commission no study topics for this interim. The four meetings will be dedicated to the following topics:

¹ Exhibits and other materials referenced in these minutes can be inspected and copied in the Legislative Information Center in Room 230 of the State House in Indianapolis, Indiana. Requests for copies may be mailed to the Legislative Information Center, Legislative Services Agency, 200 West Washington Street, Indianapolis, IN 46204-2789. A fee of \$0.15 per page and mailing costs will be charged for copies. These minutes are also available on the Internet at the General Assembly homepage. The URL address of the General Assembly homepage is <http://www.ai.org/legislative/>. No fee is charged for viewing, downloading, or printing minutes from the Internet.

August 9	Update on the Division on Mental Health and Addiction
August 30	Discussion of Medicaid Issues
September 13	Discussion of Forensic Issues
October 4	Discussion of Children's Issues

II. Update from the Family and Social Services Administration (FSSA), Division on Mental Health and Addiction (DMHA) (Division), Secretary Mitch E. Roob, Jr.

Secretary Mitch E. Roob, Jr. began the presentation for FSSA with an overview of the plans for the five state hospitals. The Division plans to continue operating Logansport State Hospital (Logansport) and Larue D. Carter State Hospital (Carter) into the future. A new forty million dollar forensic unit has just been opened at Logansport which expands the Hospital's capacity from sixty to one hundred beds. The DMHA is in discussions with Clarian and University Hospitals to restructure Carter to focus on psychological and neurological research. It is possible that a new building will be necessary.

For the other three hospitals - Richmond State Hospital (Richmond), Madison State Hospital (Madison), and Evansville State Hospital (Evansville) - the DMHA is looking at spinning the hospitals outside FSSA to local nonprofit entities. The State purchases all other types of medical services - only in the case of mental health care is the state actually making the services.

The Division's current plan recognizes that a certain number of in-patient beds will continue to be needed in the State. Secretary Roob believes that in-patient services can be better provided by nonprofit corporations or coalitions of nonprofit corporations in the local communities where the facilities are located. The physical facilities of the current hospitals will be given, leased, or sold to the new local entities. The three hospitals have been rebuilt and are relevant today. It is while they are relevant that DMHA wants to transfer them to locally-controlled nonprofits.

Evansville State Hospital had a census of 1,400 twenty-five years ago and only 160 today. Last year DMHA funded 104,000 outpatient services for about the same amount of money spent to serve the 2,000 patients at state hospitals.

In answer to a question from Representative Charlie Brown, Secretary Roob stated that over the next 25 to 50 years the need for beds will likely be reduced, but the current number of beds is necessary and sufficient for now. Secretary Roob said that the change in ownership of the hospitals is not being done to save money.

Senator Vi Simpson asked about the purpose of localizing the hospitals if no money will be saved. Secretary Roob said that this plan is not motivated by financial considerations. Rather, the benefit will be to the persons with mental illness, county entities, and employees. The plan is designed to give the communities some degree of self determination concerning the future of the facilities. Senator Simpson then asked how communities will be impacted since there will be no change in the number of beds available. Secretary Roob stated that he believes that FSSA as a maker of health care is not as responsive as FSSA as a purchaser of health care. Senator Simpson expressed concerns about the security for patients and families under the new plan. Secretary Roob answered that security for families will be provided through the budgeting process where assets will be allocated for mental health beds.

Secretary Roob stated that the plan is to spin off the three hospitals separately. Each could end up with a different structure. He has had meetings with employees and local

legislators at each of the hospitals and assured employees that they will retain their jobs with salaries and benefits at or above the current level. For employees close to retirement, the plan is to ensure that retirement benefits are not diminished, which could mean that they will remain state employees and work under contract for the new governing entities.

The disposition of the physical assets is also a concern. There are bonds outstanding with covenants which prohibit transferring the land at Madison and Evansville. If any land is ever sold to a successor agency, FSSA plans to use the proceeds of the sale for the care of persons with mental illness. Currently the state funds the hospitals in a lump sum appropriation covering all of the hospitals. Secretary Roob anticipates continuing funding at the current level for at least three and likely four years. Over the transition period, he hopes to move funding more to a per patient basis rather than a facility-based basis. Any successor organization will be required to agree to take patients referred from community mental health centers. The facilities will not be converted into private pay hospitals even though the Madison facility is especially attractive to be used as a private pay facility. In the event the need for taking indigent patients lessens, the successor organizations could use some beds for private pay patients. Whatever form the agreements take, the successor entities will be required to ensure that sufficient beds for the indigent are available.

In response to questions from Representative Noe, Secretary Roob expanded on the ownership of the property involved. The state must retain the deeds for Madison and Evansville until the loans are paid off and could retain the deeds in perpetuity. There is a need to ensure a kind of continual relationship between the state and successor entities. Secretary Roob also stated that there is no single time for spinning off the hospitals. First FSSA will send out requests for information this fall to see who might be interested in the hospitals. Ideally FSSA will be ready to move on an agreement to spin off at least one hospital by July 1, 2006.

Ms. Abigail Flynn expressed concern that individuals with mental illness are now going to prison and are homeless. If that is happening with the number of beds the state now has in facilities operated by FSSA, how will localization of the hospitals with the number of beds remaining static help? Secretary Roob said that he hopes the next generation of treatment for those with mental illness will decrease the need for beds. Now between fifty and sixty per cent of those incarcerated in the state have mental illness or substance abuse issues.

Secretary Roob closed his presentation by stating that the plans to localize the three hospitals will be based on what is in the best interest of the communities in the long run. FSSA is now investigating what will work best and is not saying that localization will absolutely be the route they end up taking. If FSSA does not gain acceptance or acquiescence for the localization, they will not proceed with the localization plan.

Ms. Cathy Boggs, Director of the Division of Mental Health and Addiction, presented the Commission with an update on the Division including information on grants the Division is seeking. (Exhibit 1) In her presentation, Ms. Boggs stressed the need for cooperative agreements with other departments of state government. Ms. Boggs also briefed the Commission on the Division's plans for assisting persons providing services in emergency situations. (Exhibits 2 and 3)

Mr. Dennis Jones, consultant with the Division, explained that the transformation process the Division is undertaking is in response to the report of the President's Commission on Mental Health. Mr. Jones explained that the picture painted of mental health services in the nation is not good. Indiana is using grant money to work on plans to

improve the Division's services. (Exhibit 4) The program being planned has a kickoff date of October 18 and 19.

III. Comments from NAMI

Mr. Joe Venable, NAMI Indiana, presented the Commission with comments on the privatization of the State's mental hospitals. (Exhibit 5) In response to a question from Chairperson Lawson, Mr. Venable told the members that he had heard nothing in the presentations that lessened the concerns he listed in his comments.

IV. Comments from the Mental Health Association in Indiana

Mr. Steve McCaffrey, the Mental Health Association in Indiana, discussed legislation which passed during the last session of the General Assembly which the Mental Health Association supported. In the forensic area, the Department of Correction will be working with the Mental Health Association to do a study of persons with mental illness in the correctional system. Overall, the Association feels confident that it has a place at the table in discussions on the future of the state hospitals and any potential deinstitutionalization initiatives.

Mr. McCaffrey introduced **Ms. Michele Danner, Director of Our Town**, which is a program operated by the Marion County Mental Health Association. The program is geared toward assisting young persons with mental illness in transitioning into the community when they are no longer part of the education system. (Exhibit 6). The program provides a wide array of services including job training and residential settings. According to Ms. Danner, by the age of 14, one half of those who will have mental illness during their lifetime can be diagnosed. By the age of 24, three-fourths of those who will have mental illness can be diagnosed. The Our Town program is set up to help those young people adjust and receive services sooner. **Mr. Shay Daily, a member of Our Town**, told the members how the program has been helpful for him.

V. Other Business

There was discussion that the members would like to have periodic updates on the progress of the Division's localization plans. Chairperson Lawson will talk with the Division to insure that updates are provided.

The meeting was adjourned at 1:00 P.M.